

FRANCHISE TAX BOARD
MINUTES
SEPTEMBER 5, 2007 MEETING

The Franchise Tax Board met in open session at 10:30 a.m. at the Franchise Tax Board, 9646 Butterfield Way, Gerald Goldberg Auditorium, Sacramento, California. Present were Hon. John Chiang, Deputy Controller Marcy Jo Mandel, Alan LoFaso representing Hon. Betty T. Yee, and Hon. Michael C. Genest.

Franchise Tax Board

Staff Participating: Selvi Stanislaus, Geoffrey S. Way, Patrick Kusiak, Ben Miller, Lisa Garrison, Marc Distefano, Brian Putler, Carole Rouin, Melissa Wulff, Marguerite Mosnier, and Colleen Berwick.

Others Participating: David Doerr, California Taxpayers' Association

Item 1. – Approval of Minutes

The minutes of the June 27, 2007, Franchise Tax Board meeting were unanimously approved (3-0).

Item 2. – Legislative Matters

Bills for Position – Possible Board action.

The Board voted 2-0 (Member Genest abstaining) to support the following bills:

- AB 62 - Disaster Loss Treatment for 2006 Ventura County Wildfires and 2007 El Dorado County Wildfires
- AB 680 - Extend the Repeal Date and Increase the Aggregate Amount for the Rice Straw Tax Credit
- AB 1168 - Redact First Five Digits of Social Security Numbers on Public Documents
- SB 105 - Technical Clean Up for Registered Domestic Partner (RDP) Tax Treatment

Item 3. – Regulation Matters

a. Regulation 25128 (Apportionment of Business Income) – Possible interested parties meeting – Staff report and possible Board action.

The Board received a staff report and voted unanimously (3-0) to approve the staff request to hold an interested parties meeting.

b. Regulation 25137-8 (Motion Picture/Television Film Producers) – Possible interested parties meeting – Staff report and possible Board action.

The Board received a staff report and voted unanimously (3-0) to approve the staff request to hold an interested parties meeting.

c. Regulation 25137-12 (Print Media) – Possible interested parties meeting – Staff report and possible Board action.

The Board received a staff report and voted unanimously (3-0) to approve the staff request to hold an interested parties meeting.

d. Proposed Regulation 25136 (Sales Factor – Sales Other Than Sales of Tangible Personal Property in this State) – Interested parties meeting – Staff report and possible Board action.

The Board heard from the following member of the public regarding this Agenda item:

David Doerr – California Taxpayers' Association.

The Board received a staff report and voted unanimously (3-0) to approve the staff request to hold an interested parties meeting.

Item 4. – Administrative Matters

- a. Contracts over \$1 million – Board approval.
 - 1. Telecommunication Wiring Moves, Adds, and Changes.
 - 2. Personal Income Tax Collections (In-State).

The Board heard from the following member of the public regarding this Agenda item:

David Doerr – California Taxpayers' Association.

The Board voted 3-0 to approve the contracts.

- b. FY 2008/09 BCPs - Board approval.
 - 1. BCP 1 through 9 and 13.
 - 2. BCP 10 – Pending – Information.
 - 3. BCP 11 and 12 – Information.

The Board heard from the following member of the public regarding this Agenda item:

David Doerr – California Taxpayers' Association.

The Board voted 2-0 (Member Genest abstaining) to approve the BCPs.

The Board also voted 2-0 (Member Genest abstaining) to approve a motion by Mr. LoFaso, representing Member Yee, to authorize staff to work collaboratively with the BOE on the behavioral compliance study aspect of BCP 6 (Tax Gap) and to add whatever additional funds might be necessary to examine both agencies' compliance efforts.

Item 5. – Executive Officer's Time

The Executive Officer discussed two matters of interest: 1) Boomerang project, State of California Retirees Job Connection; and 2) Assembly Bill 1418, publication of the 250 largest income tax delinquents on the Internet.

Item 6. – Board Members' Time

There was no discussion under this Agenda item.

The Chair announced the agenda for and the Board convened in Closed Session commencing at 11:03 a.m. pursuant to Government Code section 11126.3.

The Board reconvened in Open Session and adjourned the meeting at 11:17 a.m.

Board Liaison

Date